



PROGRAM FOR MARKETS AND POLICY RESEARCH

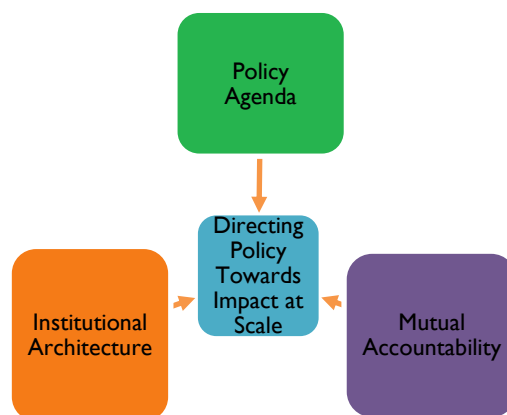
The Feed the Future Food Security Innovation Center leads USAID's implementation of the Feed the Future Research Strategy through seven interlinked research, policy and capacity programs aimed at sustainably transforming agricultural production systems. Visit www.feedthefuture.gov/research to learn more.

The **Program for Markets and Policy Research** influences those policy changes at global, regional, national and local levels that are most important in accelerating achievement of Feed the Future's goal of reducing hunger and poverty through inclusive agricultural growth and improved nutrition.

The Program for Markets and Policy Research works with country partners to develop the analytical capacity needed to frame evidence-based policy options. In addition, the program develops the pragmatic skills needed to help stakeholders understand and evaluate policy options, build consensus, and drive the implementation of policy changes important for agricultural development. The program focuses on strengthening three essential components of an effective and sustainable policy system: a **substantive policy agenda**; **institutional architecture** (i.e., human and institutional capacity and the consultative and stakeholder mechanisms within which policies are considered, decided and implemented); and **mutual accountability mechanisms**.

Using this conceptual framework, the Program for Markets and Policy Research:

- Increases attention to the importance of investing in rural livelihoods and reduces risks to vulnerable people by promoting fair competition, trade and broad-based economic impacts.
- Identifies high-priority policy changes with significant potential to leverage private sector investments and reduce social and economic barriers affecting smallholder participation in market and investment opportunities.
- Improves market function and smallholder access to markets for inputs (e.g., seeds, fertilizer and machinery), markets for the commodities they produce, and production factors such as labor and land through policy reform, institution building, and by accelerating technology adoption.
- Builds the capacity of host countries to improve their policy environment by developing the research skills needed to analyze, implement and evaluate their own country or regional investment plans; and facilitates inclusive participation in evidence- and science-based analysis to improve the quality of government policies and foster government accountability.



Improving Policy Systems – Stable, transparent, inclusive and evidence-based economic policies provide a critical foundation for equitable growth. Research and support to country partners focuses on strengthening institutional capacity to undertake and implement policy changes, increasing consultations with the private sector and civil society, and working with donors and country partners to improve transparency and mutual accountability.

Encouraging Increased Trade and Private Sector Investment – Addressing barriers to trade and market development, including cross-border taxes and inhibiting customs procedures, poor market knowledge, sanitary and phyto-sanitary (SPS) requirements, food safety and infrastructure are critical to promote private sector investment and create a level playing field for agricultural entrepreneurs. Primary areas of focus are addressing policy development and implementation related to trade, market access and private sector investment.

Increasing Access to Agricultural Inputs – Establishing policies that allow the private sector, including farmers, to develop, commercialize and use improved inputs to increase smallholder productivity and incomes is essential for boosting agricultural production.

Facilitating Technology Adoption at Scale – This program area focuses on increasing the adoption and sustained use of improved seeds, fertilizer and other technologies by addressing socioeconomic constraints to technology adoption, including risk, access to finance, education and extension, and gender equity.

Advancing Land and Natural Resource Tenure and Rights – Action research in this area promotes land and natural resource tenure policies and practices that clarify and strengthen the rights of a range of resource users – men, women, farmers and herders – in order to stimulate productive economic investments that will accelerate broad-based economic growth.

Developing Regulatory Systems for Agricultural Biotechnology – This program area supports the development and implementation of science-based, transparent biotechnology regulatory systems through demand-driven technical capacity building and policy research.

Improving Resilience and Risk Management Approaches – Applied policy research in this area focuses on reducing the frequency and severity of crises by building the capacity to buffer, absorb or respond to shocks and crises in the agriculture sector. Focus areas include developing policies to stabilize food prices and ensure that adequate food is available should a crisis arise, and promoting market-mediated mechanisms for risk management, including insurance products for smallholders.

Improving Nutritional Outcomes and Promoting Nutrition and Agriculture Linkages – This program area supports research, policy analysis, capacity building and stakeholder consultations to foster the development of policy options for and increased country resource commitments to nutrition. Specific focus areas are analysis and consultations leading to the establishment and implementation of nutrition-sensitive and nutrition-specific policies (including bio-fortification, food safety and supplementation policies), regulations, standards and norms.



RESEARCH IN ACTION

In times of rising prices for staple crops, countries sometimes ban cereal grain exports. These policies are intended to reserve scarce cereals for domestic use and keep domestic prices low. However, research undertaken in Tanzania indicates that this approach only modestly controls food price inflation, only works in the short term, and may reduce incentives for domestic producers who are selling their surplus on the market to continue investing in maize production. For example, in areas of maize surplus, the short-term impact of an export ban on maize was to reduce producer prices by 20 percent. In deficit regions, the ban resulted in a reduction of prices by less than 10 percent. In the case study, prices eventually rose again for the rural poor, resulting in increased smuggling and higher prices across the region, leading to more scarcity and attendant poverty. In the long run, farmers reduce production to meet their own needs when government policies prevent them from increasing their incomes from exports.

The research findings provide evidence and recommendations on alternative policies to export bans. In Tanzania, the president committed to removing export bans as part of the Government of Tanzania's implementation framework for the G-8 New Alliance for Food Security and Nutrition.

A core objective of Feed the Future is to foster inclusiveness and transparency among governments, the private sector, smallholder farmers and civil society. Key stakeholders, such as the private sector, civil society, farmers' organizations, consumers, government agencies, universities and think tanks are brought into the policy process through their participation in a) formulating evidence-based policy recommendations; b) conducting joint policy reviews in line with international standards; and c) disseminating key outcomes of the policy dialogue and decision-making process.

Universities – Michigan State University, the University of California-Davis, and other U.S. universities are supporting partner country educational institutions in developing action research and engaging in capacity development activities with local civil society and private sector organizations.

International Institutions – IFPRI and other CGIAR partners help foster partnerships with African, Asian and Central American institutions to strengthen policy capacities at the country, regional and continent levels for food security analysis and knowledge.

Private Sector – Africa LEAD II, Monitor Deloitte and other implementing partners are assisting private sector organizations to increase investments in smallholder farming and develop key value chains. They are also working to increase private sector participation in and consultations about policy formulation and implementation.

U.S. Government – USAID partners with other USG agencies to a) engage in public diplomacy for policy change; b) support capacity building of counterpart institutions to address agricultural policy, strengthen agricultural data systems, and improve food safety and SPS standards; and c) improve capacity and compliance with internal agreements in agricultural trade policy.

RESEARCH IN ACTION

The Feed the Future Innovation Lab for Collaborative Research on Assets and Markets Access (BASIS) developed and marketed an index insurance product to pastoralists in drought-prone, arid and semi-arid areas of Northern Kenya for three years. In 2011, in the wake of the worst drought in 60 years, pastoralists who had purchased insurance coverage for their animals received insurance payments. An initial evaluation indicates that these payments have had positive impacts on pastoralist families. For insured households, results show a) a significant drop in reliance on costly coping strategies (e.g., a one-third drop in the number of households reducing the number of meals eaten each day); b) a 50 percent decline in the number of households selling off livestock at fire-sale prices; and c) 10 percent of insurance payouts to poor people after major drought were reinvested in herds. In addition, the results imply that insurance will also have major spillover benefits to uninsured households, since it mitigates the typical 50 percent collapse in livestock prices that further de-capitalizes households already damaged by the drought.

Current Research Projects	Lead Institutions	Countries
Africa LEAD I and II	DAI	Africa
Feed the Future Innovation Lab for Food Security Policy	Michigan State University	Global
CGIAR Research Program on Policies, Institutions and Markets	IFPRI	Global
CAADP Phase II	IFPRI	Africa CAADP
Asia and Central America ReSAKSS policy capacity development	IFPRI	Regional for both Asia and Central America
CAADP Multi Donor Trust Fund	World Bank	Africa
Enabling Agricultural Trade	Fintrac	Global
Agricultural Data Systems	USDA	TBD
Monitoring African Food and Agriculture Policies	Food and Agriculture Organization	TBD
Feed the Future Innovation Lab for Collaborative Research on Assets and Markets Access (BASIS)	University of California, Davis	Bangladesh, Ethiopia, Ghana, Guatemala, Honduras, Kenya, Mali, Mozambique, Uganda
Program for Biosafety Systems	IFPRI	Ghana, Kenya, Malawi, Nigeria, Tanzania, Uganda, Indonesia, Philippines, Vietnam
South Asia Biosafety Program	Center for Environmental Risk Assessment	Bangladesh, India, Pakistan

FEED THE FUTURE FOOD SECURITY INNOVATION CENTER



The Program for Markets and Policy Research works to achieve inclusive agricultural growth and improved nutrition through research on enabling policies, socioeconomics and technology targeting, and by building the capacity of partner governments to effect sustainable change in areas such as land tenure, financial instruments, input policies and regulatory regimes.

The [Feed the Future Food Security Innovation Center](#) leads USAID's implementation of the Feed the Future Research Strategy through seven interlinked research, policy and capacity programs aimed at sustainably transforming agricultural production systems. It is housed within the Bureau for Food Security and is a strategically aligned and integral component of USAID's science and technology programs. The seven programs of the Food Security Innovation Center are:

- **Research on Climate Resilient Cereals** – This program helps smallholder farmers adapt to climate change and build resilience by developing new cereal varieties with enhanced yield and tolerance to drought, heat, salinity and low soil fertility, and delivering these varieties in diversified, sustainable farming systems.
- **Research on Legume Productivity** – This program increases the production and consumption of critical, protein-rich legumes by developing disease- and stress-tolerant, high-yielding varieties, improving market linkages and post-harvest processing, and integrating legumes into major farming systems to improve household nutrition and incomes, especially for women.
- **Advanced Approaches to Combat Pests and Diseases** – This program harnesses U.S. scientific expertise and emerging molecular tools to develop new animal vaccines and crops and animals resistant to pests and diseases that cause significant production losses in tropical systems.
- **Research on Nutritious and Safe Foods** – This program links research on the production and processing of safe, nutritious agricultural products to a learning agenda on household nutrition, including the utilization of and access to fruits, vegetables, meat, fish, dairy and legumes with the goals of preventing undernutrition (especially in women and children), improving child survival and securing family investments in agriculture.
- **Sustainable Intensification** – This program works with smallholder farmers to incorporate sustainable, productivity-enhancing technologies and farming practices into major production systems where the poor and undernourished are concentrated and, through intensification and diversification of these systems, to enhance resilience, nutrition and agricultural growth.
- **Human and Institutional Capacity Development** – This program strengthens individuals – scientists, entrepreneurs, educators – and institutions, ensuring that food and agriculture systems in developing countries are capable of meeting the food security challenge and that women in particular are poised to take advantage of new opportunities and provide critical leadership in agricultural research, private sector growth, policy development, higher education and extension services.

Questions? Contact FTFInnovation@usaid.gov